Nova Scotia
Department of
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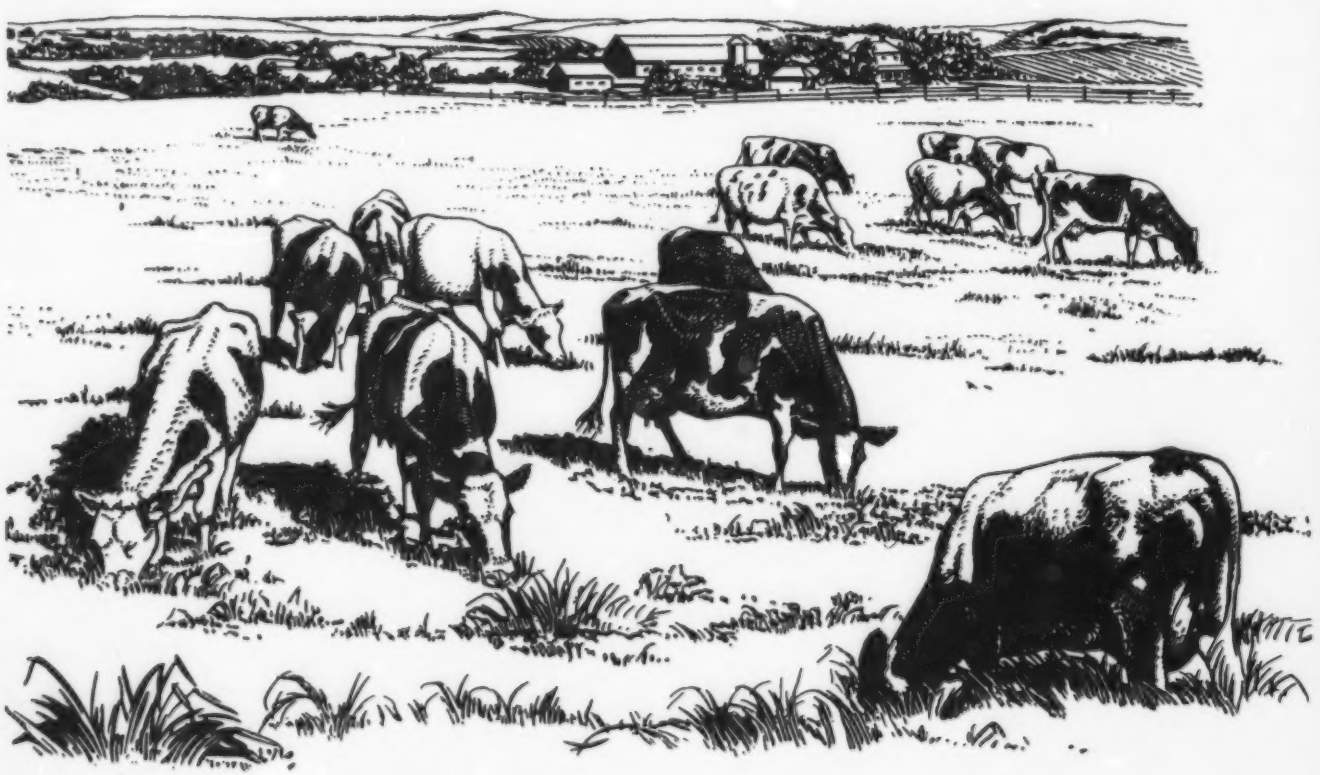
Dairy Farm Business Summary

1991



1991

NOVA SCOTIA DAIRY FARM

BUSINESS SUMMARY REPORT

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PREFACE

The 1991 Nova Scotia Dairy Farm Business Summary is a synopsis of the business performance of one hundred and fourteen (114) Nova Scotia dairy farms.

The farms used in this summary were note selected on a random sample basis. Instead, farmers volunteered to have their data included in the summary. Hence, care should be exercised in the use and interpretation of the results shown in the various tables of this publication.

Despite this limitation, this publication can be used by farmers to compare their individual results with group average fogires for farms with similar characteristics. Such comparison can provide the farm manager with useful information that can be used in management decisions. However, the best information is the farmer's own records, and comparison of these from year to year.

The co-operation of the one hundred and fourteen (114) dairy producers who participated in this summary is gratefully acknowledged. Without their co-operation and data, no summary would be possible.

We would also like to acknowledge several individuals who contributed significantly to this publication; Calvin MacDonald and Debbie Freeman who assisted with data collection; and Tracey Mitchell who performed data entry and secretarial duties.

Every effort has been made to ensure the accuracy of this report; however, the authors accept full responsibility for any errors or omissions which may inadvertently appear in the final version.

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SECTION A

INTRODUCTION

INTRODUCTION

The Nova Scotia Dairy Farm Business Summary is designed to provide bench-mark information that can be used to compare the financial strengths and weaknesses of individual dairy farms with similar characteristics. Farm business analysis is an important function of the farm manager-operator. When analyzing the farm business, you must ask meaningful questions regarding the costs, incomes, efficiencies and capital investment found in your business. This summary is designed to assist you with those questions and to provide you with basic information for comparison purposes. By identifying the strengths of your business and building on these, you should be able to enhance the profit picture of your farm business. By identifying the weaknesses of your business and taking corrective action, the profit picture should also be improved.

Standards of performance and business progress are matters of personal choice and family goal setting. Each farm situation will have a different set of goals or objectives - a different set of values that you feel must be met through the farm business. It is for each of you to identify these and then compare your performance in achieving these objectives.

There are several ways that you can compare your farm performance. These include:

- You can compare your performance this year to that of last year. This perhaps is the best comparison. Have you progressed in reaching the goals you have set for your farm business.

- You can compare your performance with group average data for farms of similar size and general characteristics. This report may be useful in this regard.

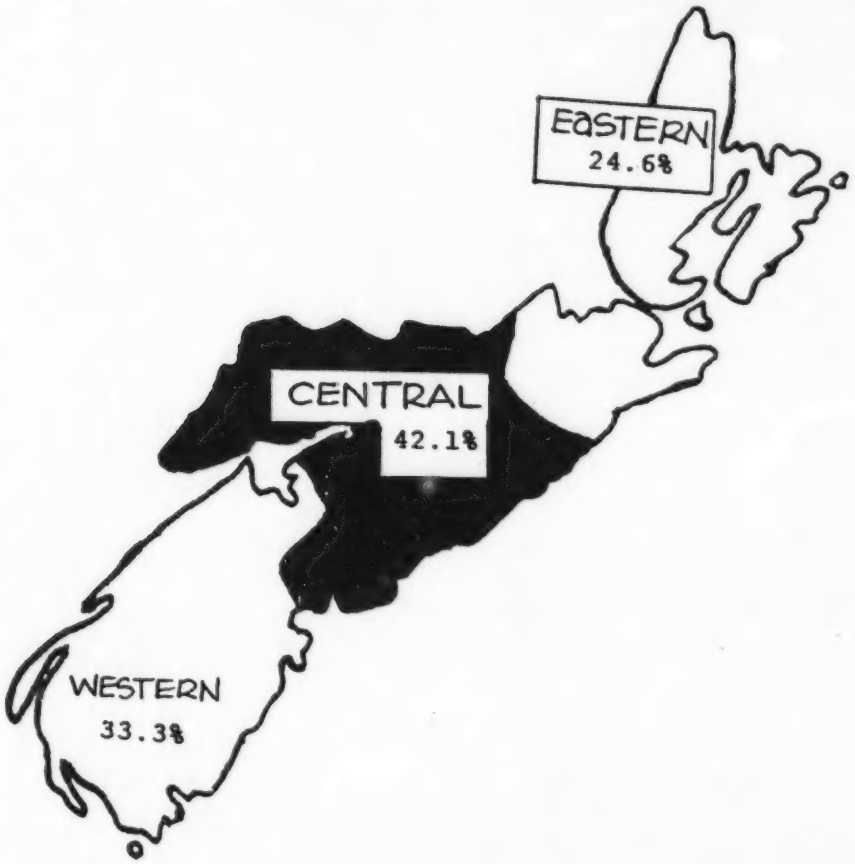
- You can compare your performance to that found by research - realizing that the research data was obtained under a special set of conditions.

In 1991, there were a total of 533 fluid milk producers in Nova Scotia. Basic data for this summary was prepared from 114 of these farms located throughout Nova Scotia. These 114 farms represent 21.4 percent of the total number of fluid milk farms in the province.

In terms of production, these farms included in the summary produced 46,381,926 litres of milk for sale. The total milk produced by fluid milk farmers in the province was 167,295,337 litres. Hence, in terms of production, farms included in this summary produced 27.7 percent of the milk produced by fluid milk farms in Nova Scotia.

Figure A-1 provides information on the distribution of these 114 farms relative to their location in the province. A description of the counties contained in each region can be found following figure A-1.

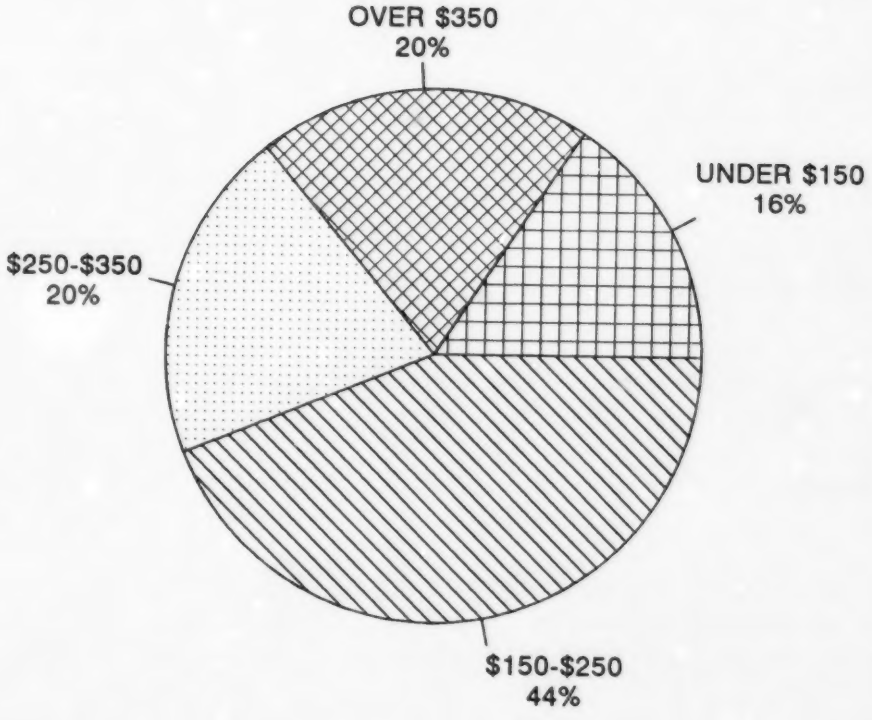
FIGURE A-1: DISTRIBUTION OF 114 DAIRY FARMS BY REGION WITHIN NOVA SCOTIA



Central Region:	Represents dairy farms from Colchester, Cumberland, East Hants, Halifax and Pictou Counties.
Eastern Region:	Represents dairy farms from Antigonish, Cape Breton, Inverness and Victoria Counties.
Western Region:	Represents dairy farms from Annapolis, Kings, Lunenburg, West Hants and Yarmouth Counties.

Figure A-2 provides information on the distribution of these 114 dairy farms relative to the size of the business measured in terms of Gross Farm Income.

FIGURE A-2: DISTRIBUTION OF 114 DAIRY FARMS BY GROSS FARM INCOME ('000 DOLLARS)



Section B.1 provides a summary of the results, calculated for the 114 dairy farms in the summary for 1991. The basic format for the presentation of the information in this section is as follows:

1. Receipts
2. Expenses
3. Income Summary
4. Net Cost of Production
5. Production Analysis
6. Balance Sheet
7. Balance Sheet Analysis
8. Labour Analysis
9. Analysis of Expenses
10. Receipts and Expenses Summary

Sections B.2 through B.4 provide addition information on the 114 dairy farms by reclassifying these farms on the basis of Net Farm Income, Production and Investment Levels per Cow.

Appendix A summarizes the results of the herd size analysis. The 114 dairy farms in the study were classified into three (3) groups according to herd size. These groups were (1) 0-49 cows; (2) 50-99 cows; and (3) 100 plus cows.

Appendix B contains comparison figures for the total group based on a per farm, per cow, per hectolitre, per hundredweight and percentage analysis basis. In addition, a Glossary of Terms used in the summary is provided in Appendix C.

Throughout the analysis, several assumptions were made and used that should be noted. These include:

(a) Tax depreciation was used in place of management depreciation. This may result in a slightly "higher than normal" depreciation figure in this summary.

(b) Operator labour value must be considered minimal. The value chosen was the 1991 figure plus 5 percent in all size groups.

(c) Investment figures used were farmers book values. These may or may not represent cost. They may or may not represent market value. Rather, some mixture of the two concepts may be more representative in many instances.

(d) Interest on equity was calculated using a 10 percent interest rate.

Given the above explanatory notes, the basic data was then prepared. Throughout the summary, per farm and per cow figures are presented.

SECTION B.1

BUSINESS SUMMARY - ALL FARMS

RECEIPTS

Farms in this size range had receipts from milk and milk subsidy of $232,753. or $3,768. on a per cow basis. This amount accounted for 86.7 percent of Total Farm Receipts. Of this amount, fluid milk represented 70.9 percent, manufactured milk 25.9 percent and milk subsidy 3.2 percent.

Livestock sales averaged 7.5 percent of Total Farm Receipts, while Miscellaneous Sales were 5.1 percent and Crop Sales 0.7 percent.

Total Farm Receipts averaged $268,494. per farm or $4,347. on a per cow basis.

TABLE B.1.1: RECEIPTS

ITEM	PER FARM	PER COW
Fluid Milk Sales	$165,026.	$ 2,672.
Manufactured Milk Sales	60,335.	977.
Milk Subsidy	7,391.	120.
Livestock Sales	20,102.	325.
Crop Sales	1,902.	31.
Miscellaneous Sales	13,737.	222.
TOTAL FARM RECEIPTS	$268,494.	$ 4,347.

EXPENSES

Total Cash Expenses for farms in this group averaged $196,210. per farm or $3,176. per cow Purchased dairy feed was the largest expense item and accounted for 25.0 percent of this total.

Other major expenses were; hired labour at 11.9 percent, interest at 11.5 percent, crop expenses at 7.3 percent, and tractor and machinery expense at 6.9 percent.

TABLE B.1.2: EXPENSES

ITEM	PER FARM	PER COW
Milk Hauling	$ 8,380.	$ 136.
Dairy Feed	49,087.	795.
Livestock Purchases	3,290.	53.
Vet & Drugs	3,736.	60.
Breeding	3,839.	62.
Dairy Supplies	7,270.	118.
Milk Marketing	11,107.	180.
Crop Expense	14,316.	232.
Building & Fence Repair	5,346.	87.
Utilities	5,945.	96.
Tractor & Machinery Expense	13,552.	219.
Truck & Auto	4,002.	65.
Interest	22,569.	365.
Hired Labour	23,335.	378.
Taxes & Insurance	6,430.	104.
Custom Work	5,687.	92.
Rentals & Leases	3,299.	53.
Miscellaneous	5,021.	81.
TOTAL CASH EXPENSES	$196,210.	$3,176.

INCOME SUMMARY

When analyzing a farm business, a number of different measures of income are often used to assess the financial strength of the business. Three (3) of these measures are:

Net Cash Income is the difference between Total Farm Receipts and Total Cash Expenses. For this group of farms, Net Cash Income was $72,283. per farm or $1,171. per cow.

Net Farm Income adjusts Net Cash Income for Inventory Change and Depreciation. Net Farm Income represents the return to the operator for his labour, management and capital. For this group, Net Farm Income was $46,585. per farm or $754. on a per cow basis.

Labour and Management Income represents the amount of income left for the operator for his labour and management skills. For this group, Labour and Management Income was $22,007. per farm or $356. per cow.

TABLE B.1.3: INCOME SUMMARY

ITEM	PER FARM	PER COW
Total Farm Receipts	$ 268,494.	$ 4,347.
Total Cash Expenses	196,210.	3,176.
NET CASH INCOME	$ 72,283.	$ 1,171.
Plus: Inventory Change	$ -594.	$ -10.
Less: Depreciation	25,105.	406.
NET FARM INCOME	$ 46,585.	$ 754.
Less: Unpaid Family Labour	$ 2,845.	$ 46.
Interest on Equity @ 10%	21,732.	352.
LABOUR AND MANAGEMENT INCOME	$ 22,007.	$ 356.

NET COST OF PRODUCTION

The Net Cost of Producing Milk for this group of farms was $232,192. per farm or $3,759. per cow. On a per hectolitre of milk sold basis, this cost was $57.07. The return from the sale of milk averaged $57.21 leaving a net return over costs of $0.14 per hectolitre.

Note that all costs, including a value for Operator Labour have been included in this calculation. If Operator Labour was excluded, the Net Cost would have been $51.80, leaving a Net Return of $5.41. This then would be the return to Operator Labour.

TABLE B.1.4: NET COST OF PRODUCTION

ITEM		PER FARM	PER COW
Total Cash Expenses		$ 196,210.	$ 3,176.
Plus: Depreciation		25,105.	406.
Inventory Change		594.	10.
Interest on Equity @ 10%		21,732.	352.
Unpaid Family Labour		2,845.	46.
Operator Labour		21,447.	347.
Less: Sales (Excl. Milk)		35,741.	579.
NET COST OF PRODUCING MILK		$ 232,192.	$ 3,759.
Number of Cows	(#)	62	1
Total Litres of Milk Sold	(L)	406,859	6,586
Price Received per HL	($)	57.21	57.21
Cost of Producing Milk/HL	($)	57.07	57.07
NET RETURN PER HL	($)	$ 0.14	$ 0.14

PRODUCTION ANALYSIS

Total milk sales averaged 406,859 litres per farm. For farms in this group, 62 cows per farm was the average with milk sold per cow standing at 6,586 litres.

Fluid milk represented 65.4 percent of the volume of milk sold, while in dollar terms, fluid milk accounted for 70.9 percent of milk sales. Average blend price for all milk was $57.21 per hectolitre.

Purchased feed averaged $795. per cow or $12.06 per hectolitre of milk sold. These dollars represented 3,000 kilograms of feed per cow consumed.

TABLE B.1.5: PRODUCTION ANALYSIS

ITEM		PER FARM	PER COW
Number of Cows	(#)	62	1
Total Litres of Milk Sold	(L)	406,859	6,586
Value of Milk Sold	($)	232,753	3,768
Price Received per HL Milk	($)	57.21	57.21
Fluid Milk (L's as % of Total Milk)	(%)	65.4	65.4
Fluid Milk ($'s as % of Total Milk)	(%)	70.9	70.9
Cost of Dairy Feed	($)	49,087	795
Feed Cost per HL Milk Sold	($)	12.06	12.06
Feed Cost as % of Total Cost	(%)	22.2	22.2
Feed Cost as % of Milk Sales	(%)	21.1	21.1
Kilograms of Feed/HL Milk	(Kgs)	45.55	45.55
Kilograms of Feed	(Kgs)	182,990	3,000
Pounds of Feed	(Lbs)	402,578	6,600

BALANCE SHEET

The Balance Sheet represents a picture of the financial position of a business at a particular point in time. The Balance Sheet is composed of three main parts, namely:

ASSETS are items of value owned by the business.

LIABILITIES are debts owed by the business to others.

EQUITY OR NET WORTH is the difference between assets and liabilities and represents the owner's capital investment in the business.

For this group of farms, assets amounted to $473,766. per farm or $7,670. per cow. Liabilities averaged $256,443. per farm and $4,151. on a per cow basis. Equity or Net Worth - the difference between assets and liabilities was $217,323. per farm or $3,518. per cow.

TABLE B.1.6: BALANCE SHEET

ITEM	PER FARM	PER COW
ASSETS:		
Inventory Value - Land	$ 69,648.	$ 1,128.
" " - Buildings	72,705.	1,177.
" " - Machinery	73,044.	1,182.
" " - Livestock	95,635.	1,548.
" " - Crops & Supplies	23,934.	387.
" " - Milk Quota	95,995.	1,554.
" " - Accounts Receivable	4,283.	69.
" " - Co-Op Dairy Inv.	38,522.	624.
TOTAL INVENTORY VALUE-ASSETS	$ 473,766.	$ 7,670.
LIABILITIES:		
Short Term	$ 21,440.	$ 347.
Intermediate Term	50,839.	823.
Long Term	184,165.	2,981.
TOTAL LIABILITIES	$ 256,443.	$ 4,151.
EQUITY OR NET WORTH	$ 217,323.	$ 3,518.

BALANCE SHEET ANALYSIS

For farms in this size group, equity in the farm business averaged 45.87 percent. Farms received a return to equity capital of 10.26 percent and a return to capital of 9.47 percent.

Capital turnover averaged 1.77 years.

Total Assets to Total Liabilities ratio was 1.85 - for every dollar of debt there were 1.85 of assets.

Net Income as a percent of Gross Farm Income averaged 17.39 percent for this group of farms.

TABLE B.1.7: BALANCE SHEET ANALYSIS

ITEM		PER FARM
Equity in Farm Business	(%)	45.87
Return on Equity	(%)	10.26
Return on Invested Capital	(%)	9.47
Capital Turnover	(Yrs)	1.77
Current Assets/Current Liabilities	($)	7.57
Total Assets/Total Liabilities	($)	1.85
Total Liabilities/Equity	($)	1.18
Net Income/Gross Income	(%)	17.39

LABOUR ANALYSIS

The labour complement on farms in this size range averaged 2.62 man equivalents; composed of 1.53 operator and unpaid family labour and 1.09 hired man equivalents.

For each man equivalent, 24 cows were maintained with 155,224 litres of milk sold at a value of $88,799.

Labour Income per man equivalent averaged $16,223.

TABLE B.1.8: LABOUR ANALYSIS

ITEM		PER FARM
Number of Cows	(#)	62
Operator & Family Man Equivalents	(#)	1.53
Hired Man Equivalents	(#)	1.09
Total Man Equivalents	(#)	2.62
Cows Per Man Equivalent	(#)	24
Milk Sold Per Man Equivalent	(L)	155,224
Milk Sold Per Man Equivalent	($)	88,799
Labour Income Per Man Equivalent Operator & Unpaid Family	($)	16,223

ANALYSIS OF EXPENSES

Purchased dairy feed was the largest expense item and accounted for 22.2 percent of Total Expenses. Other major expenses were: depreciation at 11.3 percent, hired labour at 10.5 percent, interest at 10.2 percent, crop expenses at 6.5 percent, and tractor and machinery at 6.1 percent of Total Expenses.

TABLE B.1.9: ANALYSIS OF EXPENSES

ITEM	PER COW	PERCENTAGE
Milk Hauling	$ 136.	3.8
Dairy Feed	795.	22.2
Livestock Purchased	53.	1.5
Vet & Drugs	60.	1.7
Breeding	62.	1.7
Dairy Supplies	118.	3.3
Milk Marketing	180.	5.0
Crop Expenses	232.	6.5
Building & Fence Repairs	87.	2.4
Utilities	96.	2.7
Tractor & Machinery Expenses	219.	6.1
Truck & Auto Expenses	65.	1.8
Interest	365.	10.2
Hired Labour	378.	10.5
Taxes & Insurance	104.	2.9
Custom Work	92.	2.6
Rentals & Leases	53.	1.5
Miscellaneous	81.	2.3
Depreciation	406.	11.3
TOTAL EXPENSES	$ 3,583.	100.0 %

RECEIPTS AND EXPENSES SUMMARY

Information supplied in this section summarizes receipts and expenses for this group of farms on a per cow, per hectolitre and a per hundredweight milk sold basis.

TABLE B.1.10: RECEIPTS AND EXPENSES SUMMARY

ITEM	PER COW	PER 100 LITRES	PER CWT.
RECEIPTS:			
Fluid Milk	$ 2,672.	$ 40.56	$ 17.87
Manufactured Milk	977.	14.83	6.53
Milk Subsidies	120.	1.82	.80
LIvestock Sales	325.	4.94	2.18
Crop Sales	31.	.47	.21
Miscellaneous Sales	222.	3.38	1.49
TOTAL CASH RECEIPTS	$ 4,347.	$ 65.99	$ 29.07
ADJ. FOR INVENTORY CHANGE	$ -10.	$ -.15	$ -.06
TOTAL FARM RECEIPTS	$ 4,337.	$ 65.85	$ 29.01
EXPENSES:			
Milk Hauling	$ 136.	$ 2.06	$ .91
Dairy Feed	795.	12.06	5.31
Livestock Purchases	53.	.81	.36
Vet & Drugs	60.	.92	.40
Breeding	62.	.94	.42
Dairy Supplies	118.	1.79	.79
Milk Marketing	180.	2.73	1.20
Crop Expenses	232.	3.52	1.55
Building & Fence Repair	87.	1.31	.58
Utilities	96.	1.46	.64
Tractor & Machinery Repair	219.	3.33	1.47
Truck & Auto Expense	65.	.98	.43
Interest	365.	5.55	2.44
Hired Labour	378.	5.74	2.53
Taxes & Insurance	104.	1.58	.70
Custom Work	92.	1.40	.62
Rentals & Leases	53.	.81	.36
Miscellaneous	81.	1.23	.54
TOTAL CASH EXPENSES	$ 3,176.	$ 48.23	$ 21.24
Building Depreciation	$ 111.	$ 1.68	$ .74
Machinery Depreciation	296.	4.49	1.98
TOTAL DEPRECIATION	$ 406.	$ 6.17	$ 2.72
TOTAL FARM EXPENSES	$ 3,583.	$ 54.40	$ 23.96
NET FARM INCOME	$ 754.	$ 11.45	$ 5.04

SECTION B.2

NET FARM INCOME ANALYSIS

One of the key factors studied when analyzing a farm business is Net Farm Income. This factor is important as it provides the return to the operator for his labour and management skills along with a return to equity capital in the business. A study of the various groupings below can provide some indication of why there are such wide variations in the Net Farm Incomes of the farms in this summary.

The one hundred and fourteem (114) farms in the summary were reorganized into three groupings based on Net Farm Income per Cow. These groups were - (1) the high 25 percent Net Income per Cow Farms, (2) the middle 50 percent Net Farm Income per Cow Farms, and (3) the low 25 percent Net Farm Income per Cow Farms.

Similar assumptions regarding Interest on Equity, Operator and Family Labour were made for this section as were made throughout the summary.

Table B.2.1 provides data on a per farm basis, while Table B.2.2 provides the data on a per cow basis.

A review of the tables shows that the High Net Farm Income per Cow group received a return to all factors of production at the assumed levels. The Medium Net Farm Income per Cow group and the Low Net Farm Income per Cow group did not receive a return sufficient to meet all costs.

The High Net Farm Income Group had Net Income per Cow of $1,386. while the middle and low groups averaged $722. and $74. respectively.

Return on Equity averaged 19.8 percent for the high group, while the middle and low groups averaged 16.5 and 2.0 respectively.

Net Income as a percent of Gross Income averaged 29.1 percent for the High Group, 16.8 for the Middle Group, and 1.9 for the Low Group.

TABLE B.2.1

HIGH, MEDIUM AND LOW NET FARM INCOME PER COW FARMS

PER FARM ANALYSIS

ITEM	HIGH N.F.I./COW	MEDIUM N.F.I./COW	LOW N.F.I./COW
RECEIPTS:			
Fluid Milk	$ 194,127.	$ 154,017.	$ 157,186.
Industrial Milk	83,421.	51,252.	54,789.
Milk Subsidies	10,423.	6,196.	6,668.
Livestock Sales	25,265.	18,815.	17,425.
Crop Sales	3,415.	1,118.	1,903.
Miscellaneous Sales	20,635.	12,452.	9,320.
TOTAL CASH RECEIPTS	$ 337,287.	$ 243,850.	$ 247,290.
ADJ. FOR INVENTORY CHANGE	$ 2,643.	$ 2,034.	$ -8,908.
TOTAL FARM RECEIPTS	$ 339,930.	$ 245,884.	$ 238,383.
EXPENSES:			
Milk Hauling	$ 10,487.	$ 7,692.	$ 7,600.
Dairy Feed	58,521.	44,766.	47,997.
Livestock Purchases	1,676.	3,936.	3,655.
Vet & Drugs	3,647.	3,448.	4,382.
Breeding	3,809.	3,820.	3,904.
Dairy Supplies	6,949.	7,303.	7,525.
Milk Marketing	14,806.	9,540.	10,437.
Crop Expenses	16,045.	12,113.	16,842.
Building and Fence Repair	5,284.	4,938.	6,197.
Utilities	6,488.	5,504.	6,255.
Tractor and Machinery Repair	14,883.	12,211.	14,810.
Truck and Auto Expense	4,137.	3,768.	4,318.
Interest	19,095.	22,009.	27,124.
Hired Labour	25,521.	21,002.	25,655.
Taxes and Insurance	6,457.	6,351.	6,556.
Custom Work	6,525.	4,879.	6,410.
Rentals and Leases	2,652.	3,415.	3,721.
Miscellaneous	5,548.	4,241.	5,999.
TOTAL CASH EXPENSES	$ 212,530.	$ 180,936.	$ 209,386.

TABLE B.2.1 (CONT'D)

HIGH, MEDIUM AND LOW NET FARM INCOME PER COW FARMS

PER FARM ANALYSIS

ITEM		HIGH N.F.I./COW	MEDIUM N.F.I./COW	LOW N.F.I./COW
Building Depreciation		$ 8,135.	$ 6,357.	$ 6,485.
Machinery Depreciation		20,361.	17,305.	18,015.
TOTAL DEPRECIATION		$ 28,496.	$ 23,662.	$ 24,500.
TOTAL FARM EXPENSES		$ 241,026.	$ 204,598.	$ 233,886.
NET FARM INCOME		$ 98,904.	$ 41,286.	$ 4,497.
Total Farm Expenses		$ 241,026.	$ 204,598.	$ 233,886.
Plus: Interest on Equity		34,653.	18,719.	14,630.
Unpaid Family Labour		1,973.	2,919.	3,574.
Operator Labour		26,005.	21,197.	17,444.
Less: Sales (Excl. Milk)		49,316.	32,385.	28,647.
NET COST OF PRODUCING MILK		$ 254,341.	$ 215,047.	$ 240,886.
Number of Farms	(#)	29	56	29
Number of Cows/Farm	(#)	71	57	61
Litres of Milk/Farm	(L)	507,532	368,031	381,163
Price of Milk/HL	($)	56.74	57.46	57.36
Cost of Producing Milk/HL	($)	50.11	58.43	63.20
NET RETURN/HL	($)	6.63	-.97	-5.84
Investment/Farm	($)	578,761	435,951	441,794
Liabilities/Farm	($)	232,228	248,759	295,497
Feed Cost/HL Milk Sold	($)	11.53	12.16	12.59
Equity in Business	(%)	59.9	42.9	33.1
Return on Equity	(%)	19.8	16.5	2.0
Return on Invested Capital	(%)	17.5	10.4	3.5
Net Income/Gross Income	(%)	29.1	16.8	1.9

TABLE B.2.2

HIGH, MEDIUM AND LOW NET FARM INCOME PER COW FARMS

PER COW ANALYSIS

ITEM	HIGH N.F.I./COW	MEDIUM N.F.I./COW	LOW N.F.I./COW
RECEIPTS:			
Fluid Milk	$ 2,720.	$ 2,694.	$ 2,575.
Industrial Milk	1,169.	896.	898.
Milk Subsidies	146.	108.	109.
Livestock Sales	354.	329.	285.
Crop Sales	48.	20.	31.
Miscellaneous Sales	289.	218.	153.
TOTAL CASH RECEIPTS	$ 4,725.	$ 4,265.	$ 4,052.
ADJ. FOR INVENTORY CHANGE	$ 37.	$ 36.	$ -146.
TOTAL FARM RECEIPTS	$ 4,762.	$ 4,300.	$ 3,906.
EXPENSES:			
Milk Hauling	$ 147.	$ 135.	$ 125.
Dairy Feed	820.	783.	786.
Livestock Purchases	23.	69.	60.
Vet & Drugs	51.	60.	72.
Breeding	53.	67.	64.
Dairy Supplies	97.	128.	123.
Milk Marketing	207.	167.	171.
Crop Expenses	225.	212.	276.
Building and Fence Repair	74.	86.	102.
Utilities	91.	96.	102.
Tractor and Machinery Repair	209.	214.	243.
Truck and Auto Expense	58.	66.	71.
Interest	268.	385.	444.
Hired Labour	358.	367.	420.
Taxes and Insurance	90.	111.	107.
Custom Work	91.	85.	105.
Rentals and Leases	37.	60.	61.
Miscellaneous	78.	74.	98.
TOTAL CASH EXPENSES	$ 2,977.	$ 3,164.	$ 3,431.

TABLE B.2.2 (CONT'D)

HIGH, MEDIUM AND LOW NET FARM INCOME PER COW FARMS

PER COW ANALYSIS

ITEM		HIGH N.F.I./COW	MEDIUM N.F.I./COW	LOW N.F.I./COW
Building Depreciation		$ 114.	$ 111.	$ 106.
Machinery Depreciation		285.	303.	295.
TOTAL DEPRECIATION		$ 399.	$ 414.	$ 401.
TOTAL FARM EXPENSES		$ 3,377.	$ 3,578.	$ 3,832.
NET FARM INCOME		$ 1,386.	$ 722.	$ 74.
Total Farm Expenses		$ 3,377.	$ 3,578.	$ 3,832.
Plus: Interest on Equity		485.	327.	240.
Unpaid Family Labour		28.	51.	59.
Operator Labour		364.	371.	286.
Less: Sales (Excl. Milk)		691.	566.	469.
NET COST OF PRODUCING MILK		$ 3,563.	$ 3,761.	$ 3,947.
Number of Farms	(#)	29	56	29
Number of Cows/Farm	(#)	71	57	61
Litres of Milk/Farm	(L)	7,110	6,437	6,245
Price of Milk/HL	($)	56.74	57.46	57.36
Cost of Producing Milk/HL	($)	50.11	58.43	63.20
NET RETURN/HL	($)	6.63	-.97	-5.84
Investment/Cow	($)	8,108	6,108	6,189
Liabilities/Cow	($)	3,253	3,485	4,140
Feed Cost/HL Milk Sold	($)	11.53	12.16	12.59
Equity in Business	(%)	59.9	42.9	33.1
Return on Equity	(%)	19.8	16.5	2.0
Return on Invested Capital	(%)	17.5	10.4	3.5
Net Income/Gross Income	(%)	29.1	16.8	1.9

SECTION B.3

PRODUCTION ANALYSIS

In the management of a business, output per unit of input is one of the key elements to the success of that business. In the dairy business, production per farm or more particularly, production per cow is one of the key factors determining the profitability of the farm business.

In this section of the summary, farms were reclassified according to production levels on a per cow basis. Three (3) levels were chosen as follows: (1) high 25 percent production per cow farms; (2) middle 50 percent production per cow farms, and (3) low 25 percent production per cow farms.

Assumptions regarding Operator and Family Labour and Interest on Equity were the same as used elsewhere in this summary.

Tables B.3.1 and B.3.2 present information on a per farm and per cow basis.

In analyzing the information found in the tables, it is noted that the high and medium production per cow groups achieved a return to all factors of production but the low production per cow group did not. The high production group showed a $.43 net return per hectolitre, the medium production group a $1.35 net return per hectolitre, and the low group a -$2.83 net return per hectolitre.

The high production group had production of 7,861 litres per cow, while the low production group averaged 5,150 litres per cow.

TABLE B.3.1

HIGH, MEDIUM AND LOW FARM PRODUCTION PER COW FARMS

PER FARM ANALYSIS

ITEM	HIGH PROD./COW	MEDIUM PROD./COW	LOW PROD./COW
RECEIPTS:			
Fluid Milk	$ 182,929.	$ 174,071.	$ 129,659.
Industrial Milk	62,978.	67,132.	44,567.
Milk Subsidies	7,789.	8,288.	5,262.
Livestock Sales	18,712.	23,599.	14,741.
Crop Sales	2,732.	1,876.	1,123.
Miscellaneous Sales	16,877.	12,999.	12,022.
TOTAL CASH RECEIPTS	$ 292,017.	$ 287,965.	$ 207,373.
ADJ. FOR INVENTORY CHANGE	$ 938.	$ 280.	$ -3,816.
TOTAL FARM RECEIPTS	$ 292,954.	$ 288,245.	$ 203,557.
EXPENSES:			
Milk Hauling	$ 9,248.	$ 9,009.	$ 6,295.
Dairy Feed	46,416.	55,450.	39,470.
Livestock Purchases	3,608.	3,796.	1,995.
Vet & Drugs	3,950.	4,141.	2,741.
Breeding	4,152.	4,266.	2,699.
Dairy Supplies	6,693.	8,219.	6,013.
Milk Marketing	10,465.	12,429.	9,197.
Crop Expenses	18,079.	13,877.	11,402.
Building and Fence Repair	6,190.	5,318.	4,558.
Utilities	6,126.	6,262.	5,154.
Tractor and Machinery Repair	14,563.	13,847.	11,971.
Truck and Auto Expense	3,735.	4,354.	3,588.
Interest	28,980.	21,083.	19,028.
Hired Labour	27,172.	22,790.	20,551.
Taxes and Insurance	7,172.	6,441.	5,668.
Custom Work	8,482.	5,168.	3,895.
Rentals and Leases	3,277.	3,393.	3,139.
	5,317.	5,149.	4,478.
TOTAL CASH EXPENSES	$ 213,624.	$ 204,990.	$ 161,842.

TABLE B.3.1 (CONT'D)

HIGH, MEDIUM AND LOW FARM PRODUCTION PER COW FARMS

PER FARM ANALYSIS

ITEM		HIGH PROD./COW	MEDIUM PROD./COW	LOW PROD./COW
Building Depreciation		$ 9,715.	$ 6,427.	$ 4,769.
Machinery Depreciation		20,130.	19,507.	13,996.
TOTAL DEPRECIATION		$ 29,844.	$ 25,934.	$ 18,764.
TOTAL FARM EXPENSES		$ 243,468.	$ 230,924.	$ 180,606.
NET FARM INCOME		$ 49,486.	$ 57,320.	$ 22,951.
Total Farm Expenses		$ 243,468.	$ 230,924.	$ 180,606.
Plus: Interest on Equity		22,874.	25,931.	12,482.
Unpaid Family Labour		1,712.	2,912.	3,849.
Operator Labour		22,027.	22,292.	19,253.
Less: Sales (Excl. Milk)		38,321.	38,474.	27,885.
NET COST OF PRODUCING MILK		$ 251,759.	$ 243,585.	$ 188,306.
Number of Farms	(#)	29	56	29
Number of Cows/Farm	(#)	57	65	60
Litres of Milk/Farm	(L)	445,349	436,316	311,485
Price of Milk/HL	($)	56.97	57.18	57.62
Cost of Producing Milk/HL	($)	56.53	55.83	60.45
NET RETURN/HL	($)	.43	1.35	-2.83
Feed Cost/HL Milk Sold	($)	10.42	12.71	12.67
Feed Cost as % of Total Sales	(%)	19.1	24.0	21.9
Feed Cost as % of Milk Sales	(%)	18.3	22.2	22.0
Kilograms of Feed/HL Milk Sold	(Kgs)	38.3	49.0	46.5

TABLE B.3.2

HIGH, MEDIUM AND LOW FARM PRODUCTION PER COW FARMS

PER COW ANALYSIS

ITEM	HIGH PROD./COW	MEDIUM PROD./COW	LOW PROD./COW
RECEIPTS:			
Fluid Milk	$ 3,229.	$ 2,674.	$ 2,144.
Industrial Milk	1,112.	1,031.	737.
Milk Subsidies	137.	127.	87.
Livestock Sales	330.	363.	244.
Crop Sales	48.	29.	19.
Miscellaneous Sales	298.	200.	199.
TOTAL CASH RECEIPTS	$ 5,154.	$ 4,424.	$ 3,429.
ADJ. FOR INVENTORY CHANGE	$ 17.	$ 4.	$ -63.
TOTAL FARM RECEIPTS	$ 5,171.	$ 4,428.	$ 3,366.
EXPENSES:			
Milk Hauling	$ 163.	$ 138.	$ 104.
Dairy Feed	819.	852.	653.
Livestock Purchases	64.	58.	33.
Vet & Drugs	70.	64.	45.
Breeding	73.	66.	45.
Dairy Supplies	118.	126.	99.
Milk Marketing	185.	191.	152.
Crop Expenses	319.	213.	189.
Building and Fence Repair	109.	82.	75.
Utilities	108.	96.	85.
Tractor and Machinery Repair	257.	213.	198.
Truck and Auto Expense	66.	67.	59.
Interest	512.	324.	315.
Hired Labour	480.	350.	340.
Taxes and Insurance	127.	99.	94.
Custom Work	150.	79.	64.
Rentals and Leases	58.	52.	52.
	94.	79.	74.
TOTAL CASH EXPENSES	$ 3,771.	$ 3,149.	$ 2,676.

TABLE B.3.2 (CONT'D)

HIGH, MEDIUM AND LOW FARM PRODUCTION PER COW FARMS

PER COW ANALYSIS

ITEM		HIGH PROD./COW	MEDIUM PROD./COW	LOW PROD./COW
Building Depreciation		$ 171.	$ 99.	$ 79.
Machinery Depreciation		355.	300.	231.
TOTAL DEPRECIATION		$ 527.	$ 398.	$ 310.
TOTAL FARM EXPENSES		$ 4,297.	$ 3,548.	$ 2,986.
NET FARM INCOME		$ 873.	$ 881.	$ 379.
Total Farm Expenses		$ 4,297.	$ 3,548.	$ 2,986.
Plus: Interest on Equity		404.	398.	206.
Unpaid Family Labour		30.	45.	64.
Operator Labour		389.	342.	318.
Less: Sales (Excl. Milk)		676.	591.	461.
NET COST OF PRODUCING MILK		$ 4,444.	$ 3,742.	$ 3,113.
Number of Farms	(#)	29	56	29
Number of Cows/Farm	(#)	57	65	60
Litres of Milk/Farm	(L)	7,861	6,703	5,150
Price of Milk/HL	($)	56.97	57.18	57.62
Cost of Producing Milk/HL	($)	56.53	55.83	60.45
NET RETURN/HL	($)	.43	1.35	-2.83
Feed Cost/HL Milk Sold	($)	10.42	12.71	12.67
Feed Cost as % of Total Sales	(%)	19.1	24.0	21.9
Feed Cost as % of Milk Sales	(%)	18.3	22.2	22.0
Kilograms of Feed/HL Milk Sold	(Kgs)	38.3	49.0	46.5

SECTION B.4

INVESTMENT ANALYSIS

The level of capital investment in a business can be an important factor in determining the profitability of that business. In this section of the summary, farms are re-grouped into three (3) classifications as follows: (1) the high 25 percent Investment per Cow Farms, (2) the middle 50 percent Investment per Cow Farms, and (3) the low 25 percent Investment per cow Farms.

Similar assumptions regarding Operator and Family Labour and Return on Equity were used for this section as were made throughout this summary.

Table B.4.1 provides data on a per farm basis, while Table B.4.2 provides data on a per cow basis.

The information contained in the tables reveals that the low and medium investment per cow groups received a return to all factors of production at the assumed levels.

Investment per cow averaged $6,303. for the Low Investment per Cow group, and $11,412. for the High Investment per Cow group.

All groups received a Return to Equity ranging from 13.7 percent for the High Investment per Cow group, to 19.7 percent for the Low Investment per Cow group.

Net Income as a percent of Gross Farm Income ranged from 17.1 percent for the High Investment per Cow group, to 14.8 percent for the Low Investment per Cow group.

TABLE B.4.1

HIGH, MEDIUM AND LOW INVESTMENT PER COW FARMS

PER FARM ANALYSIS

ITEM	HIGH INVEST./COW	MEDIUM INVEST./COW	LOW INVEST./COW
RECEIPTS:			
Fluid Milk	$ 157,778.	$ 171,499.	$ 159,776.
Industrial Milk	54,146.	65,691.	56,181.
Milk Subsidies	6,809.	7,988.	6,821.
Livestock Sales	19,079.	22,020.	17,421.
Crop Sales	2,793.	1,675.	1,450.
Miscellaneous Sales	15,845.	15,388.	8,441.
TOTAL CASH RECEIPTS	$ 256,450.	$ 284,262.	$ 250,090.
ADJ. FOR INVENTORY CHANGE	$ 2,842.	$ -961.	$ -3,324.
TOTAL FARM RECEIPTS	$ 259,292.	$ 283,301.	$ 246,766.
EXPENSES:			
Milk Hauling	$ 7,931.	$ 8,865.	$ 7,891.
Dairy Feed	42,853.	51,161.	51,316.
Livestock Purchases	3,326.	3,887.	2,100.
Vet & Drugs	3,980.	3,853.	3,265.
Breeding	4,146.	3,813.	3,581.
Dairy Supplies	7,268.	7,663.	6,511.
Milk Marketing	8,179.	12,110.	12,100.
Crop Expenses	14,952.	14,107.	14,084.
Building and Fence Repair	4,654.	6,018.	4,742.
Utilities	5,885.	6,374.	5,178.
Tractor and Machinery Repair	10,671.	15,555.	12,563.
Truck and Auto Expense	3,174.	4,576.	3,720.
Interest	28,626.	22,058.	17,500.
Hired Labour	19,506.	25,341.	23,290.
Taxes and Insurance	6,705.	6,341.	6,328.
Custom Work	7,880.	5,713.	3,445.
Rentals and Leases	2,686.	2,484.	5,484.
	4,467.	5,484.	4,680.
TOTAL CASH EXPENSES	$ 186,889.	$ 205,402.	$ 187,781.

TABLE B.4.1 (CONT'D)

HIGH, MEDIUM AND LOW INVESTMENT PER COW FARMS

PER FARM ANALYSIS

ITEM		HIGH INVEST./COW	MEDIUM INVEST./COW	LOW INVEST./COW
Building Depreciation		$ 10,052.	$ 6,327.	$ 4,626.
Machinery Depreciation		17,966.	18,598.	17,914.
TOTAL DEPRECIATION		$ 28,017.	$ 24,925.	$ 22,540.
TOTAL FARM EXPENSES		$ 214,906.	$ 230,327.	$ 210,321.
NET FARM INCOME		$ 44,386.	$ 52,974.	$ 36,445.
Total Farm Expenses		$ 214,906.	$ 230,327.	$ 210,321.
Plus: Interest on Equity		25,729.	23,916.	13,519.
Unpaid Family Labour		2,820.	3,298.	1,996.
Operator Labour		17,607.	22,562.	23,288.
Less: Sales (Excl. Milk)		37,716.	39,084.	27,312.
NET COST OF PRODUCING MILK		$ 223,347.	$ 241,018.	$ 221,812.
Number of Farms	(#)	29	56	29
Number of Cows/Farm	(#)	51	64	67
Litres of Milk/Farm	(L)	383,769	429,219	386,769
Price of Milk/HL	($)	57.00	57.12	57.60
Cost of Producing Milk/HL	($)	58.20	56.15	57.35
NET RETURN/HL	($)	-1.20	.97	.25
Investment/Farm	($)	587,118	492,478	324,283
Liabilities/Farm	($)	329,824	253,322	189,090
Feed Cost/HL Milk Sold	($)	11.17	11.92	13.27
Equity in Business	(%)	43.8	48.6	41.7
Return on Equity	(%)	13.7	15.0	19.7
Return on Invested Capital	(%)	9.9	11.8	10.4
Net Income/Gross Income	(%)	17.1	18.7	14.8

TABLE B.4.2

HIGH, MEDIUM AND LOW INVESTMENT PER COW FARMS

PER COW ANALYSIS

ITEM	HIGH INVEST./COW	MEDIUM INVEST./COW	LOW INVEST./COW
RECEIPTS:			
Fluid Milk	$ 3,067.	$ 2,669.	$ 2,375.
Industrial Milk	1,052.	1,022.	835.
Milk Subsidies	132.	124.	101.
Livestock Sales	371.	343.	259.
Crop Sales	54.	26.	22.
Miscellaneous Sales	308.	239.	125.
TOTAL CASH RECEIPTS	$ 4,985.	$ 4,423.	$ 3,717.
ADJ. FOR INVENTORY CHANGE	$ 55.	$ -15.	$ -49.
TOTAL FARM RECEIPTS	$ 5,040.	$ 4,408.	$ 3,668.
EXPENSES:			
Milk Hauling	$ 154.	$ 138.	$ 117.
Dairy Feed	833.	796.	763.
Livestock Purchases	65.	60.	31.
Vet & Drugs	77.	60.	49.
Breeding	81.	59.	53.
Dairy Supplies	141.	119.	97.
Milk Marketing	159.	188.	180.
Crop Expenses	291.	220.	209.
Building and Fence Repair	90.	94.	70.
Utilities	114.	99.	77.
Tractor and Machinery Repair	207.	242.	187.
Truck and Auto Expense	62.	71.	55.
Interest	556.	343.	260.
Hired Labour	379.	394.	346.
Taxes and Insurance	130.	99.	94.
Custom Work	153.	89.	51.
Rentals and Leases	52.	39.	82.
	87.	85.	70.
TOTAL CASH EXPENSES	$ 3,633.	$ 3,196.	$ 2,791.

TABLE B.4.2 (CONT'D)

HIGH, MEDIUM AND LOW INVESTMENT PER COW FARMS

PER COW ANALYSIS

ITEM		HIGH INVEST./COW	MEDIUM INVEST./COW	LOW INVEST./COW
Building Depreciation		$ 195.	$ 98.	$ 69.
Machinery Depreciation		349.	289.	266.
TOTAL DEPRECIATION		$ 545.	$ 388.	$ 335.
TOTAL FARM EXPENSES		$ 4,177.	$ 3,584.	$ 3,126.
NET FARM INCOME		$ 863.	$ 824.	$ 542.
Total Farm Expenses		$ 4,177.	$ 3,584.	$ 3,126.
Plus: Interest on Equity		500.	372.	201.
Unpaid Family Labour		55.	51.	30.
Operator Labour		342.	351.	346.
Less: Sales (Excl. Milk)		733.	608.	406.
NET COST OF PRODUCING MILK		$ 4,341.	$ 3,750.	$ 3,297.
Number of Farms	(#)	29	56	29
Number of Cows/Farm	(#)	51	64	67
Litres of Milk/Farm	(L)	7,459	6,679	5,749
Price of Milk/HL	($)	57.00	57.12	57.60
Cost of Producing Milk/HL	($)	58.20	56.15	57.35
NET RETURN/HL	($)	-1.20	.97	.25
Investment/Cow	($)	11,412	9,572	6,303
Liabilities/Cow	($)	6,411	4,924	3,675
Feed Cost/HL Milk Sold	($)	11.17	11.92	13.27
Equity in Business	(%)	43.8	48.6	41.7
Return on Equity	(%)	13.7	15.0	19.7
Return on Invested Capital	(%)	9.9	11.8	10.4
Net Income/Gross Income	(%)	17.1	18.7	14.8

SECTION C

SUMMARY

The 1991 Nova Scotia Dairy Farm Business Summary provides basic information and statistics on the costs and returns associated with the dairy enterprise on Nova Scotia farms. While not based on a statistically sound random sample of dairy farms, the summary can be used, with care, to assist in the analysis of the dairy enterprise by providing group average data for comparison purposes.

Table C-1 provides a brief summary of a number of cost and profit ratios and management factors that are often used when analyzing a farm business. These ratios and management factors provide useful information about the financial and production strength of the farm business. In addition, weaknesses in the farm business can be pinpointed through an analysis of these ratios and management factors.

In reviewing these ratios and management factors, the following points are worthy of comment:

- A total of 114 farms were included in the summary.
- Capital Turnover Ratio is 1.77 years.
- Equity in the farm business varied widely from farm to farm, but averaged 45.87 percent for all farms.
- Net Income to Gross Income varied widely, but averaged 17.39 percent.
- Production per cow averaged 6,586 litres of milk sold.

When farms were reclassified by various criteria (Net Farm Income, Production and Investment per Cow), only the High Net Income per Cow, the High Production per Cow and the Low Investment per Cow groups received a return greater than all costs.

In compiling the data for this summary, extreme variation among farms was noted. The variation occurred in most factors, including returns, costs and management factors. Below, we list a number of examples of the variation observed.

- Net Farm Income had a range of $3,706. per cow between the highest and lowest net incomes on a per cow basis.
- Investment per cow had a range of $14,494. between the highest and lowest investments on a per cow basis.
- Production per cow varied 5,449 litres per cow between the highest and lowest production on a per cow basis.

With such wide variation in many of the costs, returns and management factors, it is difficult to isolate specific characteristics that result in a profitable dairy unit. I would appear, however, that a number of the key factors of production, such as Production per Cow, Efficient Use of Capital, Efficient Use of Labour and Cost Control are of significant importance in determining the success of the farm unit.

Those farm operators who successfully combine these factors of production in the management and operation of their business achieve a reasonable return to their Capital and Management.

TABLE C-1

COST AND PROFIT RATIOS

ITEM		0-49 COWS	50-99 COWS	100+ COWS	ALL FARMS
Number of Farms		48	55	11	114
Number of Cows per Farm		39	66	141	62
COST RATIOS:					
Variable Cost as % of Total Cost		57	60	65	61
Fixed Cost as % of Total Cost		26	23	16	22
Opportunity Cost as % of Total Cost		18	17	18	17
EARNING AND SOLVENCY RATIOS:					
Capital Turnover	(Yrs)	1.85	1.82	1.54	1.77
Farm Equity	(%)	31.14	44.28	72.44	45.87
Return on Equity	(%)	10.41	8.04	13.44	10.26
Current Ratio	($)	1.61	2.02	7.45	7.57
Net Capital Ratio	($)	1.45	1.79	3.63	1.85
Debt to Equity Ratio	($)	2.21	1.26	0.38	1.18
Net Income/Gross Income	(%)	17.52	15.40	21.98	17.39
MANAGEMENT FACTORS:					
Cows/Man Equivalent	(#)	20	24	30	24
Milk Sold/Cow	(L)	6,637	6,572	6,561	6,586
Milk Sold/Man Equivalent	(L)	135,923	158,861	197,734	155,224
Purchased Feed/Cow	($)	807	791	788	795
Purchased Feed/Cow	(Kgs)	2,970	2,882	3,311	3,000
Feed as % of Milk Sold	(%)	21.3	21.0	21.1	21.1
Feed as % of Total Costs	(%)	22.1	21.6	23.8	22.2
Feed/HL Milk Sold	(Kgs)	44.76	43.85	50.46	45.55
Feed Cost/HL Milk Sold	($)	12.16	12.04	12.01	12.06

APPENDIX A

SUMMARY HERD SIZE ANALYSIS

HERD SIZE 0-49 COWS: RECEIPTS AND EXPENSES SUMMARY

ITEM	PER FARM	PER COW
RECEIPTS:		
Fluid Milk Sales	$ 105,974.	$ 2,748.
Manufactured Milk Sales	36,086.	936.
Milk Subsidy	4,267.	111.
Livestock Sales	11,755.	305.
Crop Sales	1,032.	27.
Miscellaneous Sales	10,208.	265.
TOTAL FARM RECEIPTS	$ 169,323.	$ 4,391.
EXPENSES:		
Milk Hauling	$ 5,325.	$ 138.
Dairy Feed	31,130.	807.
Livestock Purchases	2,156.	56.
Vet & Drugs	2,528.	66.
Breeding	2,769.	72.
Dairy Supplies	5,087.	132.
Milk Marketing	7,374.	191.
Crop Expense	7,961.	206.
Building & Fence Repair	3,361.	87.
Utilities	4,349.	113.
Tractor & Machinery Expense	7,717.	200.
Truck & Auto	2,690.	70.
Interest	18,391.	477.
Hired Labour	9,389.	243.
Taxes & Insurance	4,603.	119.
Custom Work	4,396.	114.
Rentals & Leases	1,930.	50.
Miscellaneous	3,664.	95.
TOTAL CASH EXPENSES	$ 124,819.	$ 3,237.
NET CASH INCOME	$ 44,504.	$ 1,155.
Plus: Inventory Change	$ 1,836.	$ 48.
Less: Depreciation	16,356.	424.
NET FARM INCOME	$ 29,983.	$ 778.
Less: Unpaid Family Labour	$ 2,615.	$ 68.
Interest on Equity @ 10%	9,880.	256.
LABOUR AND MANAGEMENT INCOME	$ 17,489.	$ 454.

HERD SIZE 0-49 COWS: NET COST OF PRODUCTION

ITEM		PER FARM	PER COW
Total Cash Expenses		$ 124,819.	$ 3,237.
Plus: Depreciation		16,356.	424.
Inventory Change		-1,836.	-48.
Interest on Equity @ 10%		9,880.	256.
Unpaid Family Labour		2,615.	68.
Operator Labour		17,084.	443.
Less: Sales (Excl. Milk)		22,996.	596.
NET COST OF PRODUCING MILK		$ 145,922.	$ 3,784.
Number of Cows	(#)	39	1
Total Litres of Milk Sold	(L)	255,936	6,637
Price Received per HL	($)	57.17	57.17
Cost of Producing Milk/HL	($)	57.02	57.02
NET RETURN PER HL	($)	.16	.16

HERD SIZE 0-49 COWS: PRODUCTION ANALYSIS

ITEM		PER FARM	PER COW
Number of Cows	(#)	39	1
Total Litres of Milk Sold	(L)	255,936	6,637
Value of Milk Sold	($)	146,327	3,795
Price Received per HL Milk	($)	57.17	57.17
Fluid Milk (L's as % of Total Milk)	(%)	67.0	67.0
Fluid Milk ($'s as % of Total Milk)	($)	72.4	72.4
Cost of Dairy Feed	($)	31,130	807
Feed Cost per HL Milk Sold	($)	12.16	12.16
Feed Cost as % of Total Cost	(%)	22.1	22.1
Feed Cost as % of Milk Sales	(%)	21.3	21.3
Kilograms of Feed/HL Milk	(Kgs)	44.76	44.76
Kilograms of Feed	(Kgs)	112,875	2,970
Pounds of Feed	(Lbs)	248,325	6,535

HERD SIZE 0-49 COWS: BALANCE SHEET

ITEM	PER FARM	PER COW
ASSETS:		
Inventory Value - Land	$ 55,202.	$ 1,431.
" " - Buildings	50,650.	1,313.
" " - Machinery	48,305.	1,253.
" " - Livestock	56,693.	1,470.
" " - Crops & Supplies	13,034.	338.
" " - Milk Quota	69,458.	1,801.
" " - Accounts Receivable	3,079.	80.
" " - Co-op Dairy Investment	20,855.	541.
TOTAL INVENTORY VALUE - ASSETS	$ 317,275.	$ 8,228.
LIABILITIES:		
Short Term	$ 17,061.	$ 442.
Intermediate Term	32,546.	844.
Long Term	168,869.	4,379.
TOTAL LIABILITIES	$ 218,476.	$ 5,665.
EQUITY OR NET WORTH	$ 98,800.	$ 2,562.

HERD SIZE 0-49 COWS: BALANCE SHEET ANALYSIS

ITEM		PER FARM
Equity in Farm Business	(%)	31.14
Return on Equity	(%)	10.41
Return on Invested Capital	(%)	9.04
Capital Turnover	(Yrs)	1.85
Current Assets/Current Liabilities	($)	5.49
Total Assets/Total Liabilities	($)	1.45
Total Liabilities/Equity	($)	2.21
Net Income/Gross Income	(%)	17.52

HERD SIZE 0-49 COWS: LABOUR ANALYSIS

ITEM		PER FARM
Number of Cows	(#)	39
Operator & Family Man Equivalents	(#)	1.40
Hired Man Equivalents	(#)	.48
Total Man Equivalents	(#)	1.88
Cows per Man Equivaaaaalent	(#)	20
Milk Sold per Man Equivalent	(L)	135,923
Milk Sold per Man Equivalent	($)	77,712
Labour Income Per Man Equivalent Operator & Unpaid Family	($)	14,368

HERD SIZE 0-49 COWS: RECEIPTS AND EXPENSES SUMMARY

ITEM	PER COW	PER 100 LITRES	PER CWT.
RECEIPTS:			
Fluid Milk	$ 2,748.	$ 41.41	$ 18.24
Manufactured Milk	936.	14.10	6.21
Milk Subsidies	111.	1.67	.73
Livestock Sales	305.	4.59	2.02
Crop Sales	27.	.40	.18
Miscellaneous Sales	265.	3.99	1.76
TOTAL CASH RECEIPTS	$ 4,391.	$ 66.16	$ 29.14
Adj. for Inventory Change	$ 48.	$ .72	$ .32
TOTAL FARM RECEIPTS	$ 4,438.	$ 66.88	$ 29.46
EXPENSES:			
Milk Hauling	$ 138.	$ 2.08	$ .92
Dairy Feed	807.	12.16	5.36
Livestock Purchases	56.	.84	.37
Vet & Drugs	66.	.99	.44
Breeding	72.	1.08	.48
Dairy Supplies	132.	1.99	.88
Milk Marketing	191.	2.88	1.27
Crop Expenses	206.	3.11	1.37
Building & Fence Repair	87.	1.31	.58
Utilities	113.	1.70	.75
Tractor & Machinery Repair	200.	3.02	1.33
Truck & Auto Expense	70.	1.05	.46
Interest	477.	7.19	3.17
Hired Labour	243.	3.67	1.62
Taxes & Insurance	119.	1.80	.79
Custom Work	114.	1.72	.76
Rentals & Leases	50.	.75	.33
Miscellaneous	95.	1.43	.63
TOTAL CASH EXPENSES	$ 3,237.	$ 48.77	$ 21.48
Building Depreciation	$ 102.	$ 1.54	$ .68
Machinery Depreciation	322.	4.85	2.14
TOTAL DEPRECIATION	$ 424.	$ 6.39	$ 2.82
TOTAL FARM EXPENSES	$ 3,661.	$ 55.16	$ 24.30
NET FARM INCOME	$ 778.	$ 11.72	$ 5.16

HERD SIZE 50-99 COWS: RECEIPTS AND EXPENSES SUMMARY

ITEM	PER FARM	PER COW
RECEIPTS:		
Fluid Milk Sales	$ 180,162.	$ 2,725.
Manufactured Milk Sales	61,549.	931.
Milk Subsidy	7,584.	115.
Livestock Sales	21,657.	328.
Crop Sales	2,059.	31.
Miscellaneous Sales	13,085.	198.
TOTAL FARM RECEIPTS	$ 286,097.	$ 4,328.
EXPENSES:		
Milk Hauling	$ 8,719.	$ 132.
Dairy Feed	52,304.	791.
Livestock Purchases	4,103.	62.
Vet & Drugs	4,315.	65.
Breeding	4,065.	61.
Dairy Supplies	8,157.	123.
Milk Marketing	11,112.	168.
Crop Expense	16,111.	244.
Building & Fence Repair	5,951.	90.
Utilities	6,088.	92.
Tractor & Machinery Expense	15,138.	229.
Truck & Auto	4,457.	67.
Interest	26,222.	397.
Hired Labour	26,624.	403.
Taxes & Insurance	7,092.	107.
Custom Work	6,125.	93.
Rentals & Leases	2,881.	44.
Miscellaneous	5,232.	79.
TOTAL CASH EXPENSES	$ 214,698.	$ 3,248.
NET CASH INCOME	$ 71,398.	$ 1,081.
Plus: Inventory Change	$ -74.	$ -1.
Less: Depreciation	27,287.	413.
NET FARM INCOME	$ 44,037.	$ 666.
Less: Unpaid Family Labour	$ 3,100.	$ 47.
Interest on Equity @ 10%	23,039.	348.
LABOUR AND MANAGEMENT INCOME	$ 17,897.	$ 271.

HERD SIZE 50-99 COWS: NET COST OF PRODUCTION

ITEM		PER FARM	PER COW
Total Cash Expenses		$ 214,698.	$ 3,248.
Plus: Depreciation		27,287.	413.
Inventory Change		74.	1.
Interest on Equity @ 10%		23,039.	348.
Unpaid Family Labour		3,100.	47.
Operator Labour		22,412.	339.
Less: Sales (Excl. Milk)		36,801.	557.
NET COST OF PRODUCING MILK		$ 253,810.	$ 3,839.
Number of Cows	(#)	66	1
Total Litres of Milk Sold	(L)	434,440	6,572
Price Received per HL	($)	57.38	57.38
Cost of Producing Milk/HL	($)	58.42	58.42
NET RETURN PER HL	($)	-1.04	-1.04

HERD SIZE 50-99 COWS: PRODUCTION ANALYSIS

ITEM		PER FARM	PER COW
Number of Cows	(#)	66	1
Total Litres of Milk Sold	(L)	434,440	6,572
Value of Milk Sold	($)	249,295	3,771
Price Received per HL Milk	($)	57.38	57.38
Fluid Milk (L's as % of Total Milk)	(%)	67.0	67.0
Fluid Milk ($'s as % of Total Milk)	($)	72.3	72.3
Cost of Dairy Feed	($)	52,304	791
Feed Cost per HL Milk Sold	($)	12.04	12.04
Feed Cost as % of Total Cost	(%)	21.6	21.6
Feed Cost as % of Milk Sales	(%)	21.0	21.0
Kilograms of Feed/HL Milk	(Kgs)	43.85	43.85
Kilograms of Feed	(Kgs)	190,206	2,882
Pounds of Feed	(Lbs)	418,453	6,340

HERD SIZE 50-99 COWS: BALANCE SHEET

ITEM	PER FARM	PER COW
ASSETS:		
Inventory Value - Land	$ 73,726.	$ 1,115.
" " - Buildings	76,560.	1,158.
" " - Machinery	76,585.	1,158.
" " - Livestock	108,923.	1,648.
" " - Crops & Supplies	28,842.	436.
" " - Milk Quota	111,244.	1,683.
" " - Accounts Receivable	3,838.	58.
" " - Co-op Dairy Investment	40,308.	614.
TOTAL INVENTORY VALUE - ASSETS	$ 520,326.	$ 7,871.
LIABILITIES:		
Short Term	$ 26,904.	$ 407.
Intermediate Term	56,505.	855.
Long Term	206,528.	3,124.
TOTAL LIABILITIES	$ 289,937.	$ 4,386.
EQUITY OR NET WORTH	$ 230,389.	$ 3,485.

HERD SIZE 50-99 COWS: BALANCE SHEET ANALYSIS

ITEM		PER FARM
Equity in Farm Business	(%)	44.28
Return on Equity	(%)	8.04
Return on Invested Capital	(%)	8.60
Capital Turnover	(Yrs)	1.82
Current Assets/Current Liabilities	($)	6.77
Total Assets/Total Liabilities	($)	1.79
Total Liabilities/Equity	($)	1.26
Net Income/Gross Income	(%)	15.40

HERD SIZE 50-99 COWS: LABOUR ANALYSIS

ITEM		PER FARM
Number of Cows	(#)	66
Operator & Family Man Equivalents	(#)	1.54
Hired Man Equivalents	(#)	1.19
Total Man Equivalents	(#)	2.73
Cows per Man Equivalent	(#)	24
Milk Sold per Man Equivalent	(L)	158,861
Milk Sold per Man Equivalent	($)	91,160
Labour Income Per Man Equivalent		
Operator & Unpaid Family	($)	13,622

HERD SIZE 50-99 COWS: RECEIPTS AND EXPENSES SUMMARY

ITEM	PER COW	PER 100 LITRES	PER CWT.
RECEIPTS:			
Fluid Milk	$ 2,725.	$ 41.47	$ 18.27
Manufactured Milk	931.	14.17	6.24
Milk Subsidies	115.	1.75	.77
Livestock Sales	328.	4.99	2.20
Crop Sales	31.	.47	.21
Miscellaneous Sales	198.	3.01	1.33
TOTAL CASH RECEIPTS	$ 4,328.	$ 65.85	$ 29.01
Adj. for Inventory Change	$ -1.	$ -.02	$ -.00
TOTAL FARM RECEIPTS	$ 4,327.	$ 65.84	$ 29.00
EXPENSES:			
Milk Hauling	$ 132.	$ 2.01	$ .88
Dairy Feed	791.	12.04	5.30
Livestock Purchases	62.	.94	.42
Vet & Drugs	65.	.99	.44
Breeding	61.	.94	.41
Dairy Supplies	123.	1.88	.83
Milk Marketing	168.	2.56	1.13
Crop Expenses	244.	3.71	1.63
Building & Fence Repair	90.	1.37	.60
Utilities	92.	1.40	.62
Tractor & Machinery Repair	229.	3.48	1.54
Truck & Auto Expense	67.	1.03	.45
Interest	397.	6.04	2.66
Hired Labour	403.	6.13	2.70
Taxes & Insurance	107.	1.63	.72
Custom Work	93.	1.41	.62
Rentals & Leases	44.	.66	.29
Miscellaneous	79.	1.20	.53
TOTAL CASH EXPENSES	$ 3,248.	$ 49.42	$ 21.77
Building Depreciation	$ 109.	$ 1.66	$ .73
Machinery Depreciation	304.	4.62	2.04
TOTAL DEPRECIATION	$ 413.	$ 6.28	$ 2.77
TOTAL FARM EXPENSES	$ 3,660.	$ 55.70	$ 24.54
NET FARM INCOME	$ 666.	$ 10.14	$ 4.47

HERD SIZE 100+ COWS: RECEIPTS AND EXPENSES SUMMARY

ITEM	PER FARM	PER COW
RECEIPTS:		
Fluid Milk Sales	$ 347,031.	$ 2,455.
Manufactured Milk Sales	160,075.	1,132.
Milk Subsidy	20,062.	142.
Livestock Sales	48,750.	345.
Crop Sales	4,918.	35.
Miscellaneous Sales	32,392.	229.
TOTAL FARM RECEIPTS	$ 613,228.	$ 4,338.
EXPENSES:		
Milk Hauling	$ 20,012.	$ 142.
Dairy Feed	111,356.	788.
Livestock Purchases	4,171.	30.
Vet & Drugs	6,112.	43.
Breeding	7,373.	52.
Dairy Supplies	12,354.	87.
Milk Marketing	27,378.	194.
Crop Expense	33,076.	234.
Building & Fence Repair	10,989.	78.
Utilities	12,198.	86.
Tractor & Machinery Expense	31,081.	220.
Truck & Auto	7,445.	53.
Interest	22,535.	159.
Hired Labour	67,745.	479.
Taxes & Insurance	11,097.	78.
Custom Work	9,133.	65.
Rentals & Leases	11,357.	80.
Miscellaneous	9,884.	70.
TOTAL CASH EXPENSES	$ 415,296.	$ 2,938.
NET CASH INCOME	$ 197,932.	$ 1,401.
Plus: Inventory Change	$ -13,800.	$ -98.
Less: Depreciation	52,367.	370.
NET FARM INCOME	$ 131,766.	$ 932.
Less: Unpaid Family Labour	$ 2,572.	$ 18.
Interest on Equity @ 10%	66,919.	473.
LABOUR AND MANAGEMENT INCOME	$ 62,275.	$ 441.

HERD SIZE 100+ COWS: NET COST OF PRODUCTION

ITEM		PER FARM	PER COW
Total Cash Expenses		$ 415,296.	$ 2,938.
Plus: Depreciation		52,367.	370.
Inventory Change		13,800.	98.
Interest on Equity @ 10%		66,919.	473.
Unpaid Family Labour		2,572.	18.
Operator Labour		39,256.	278.
Less: Sales (Excl. Milk)		86,060.	609.
NET COST OF PRODUCING MILK		$ 504,148.	$ 3,566.
Number of Cows	(#)	141	1
Total Litres of Milk Sold	(L)	927,528	6,561
Price Received per HL	($)	56.84	56.84
Cost of Producing Milk/HL	($)	54.35	54.35
NET RETURN PER HL	($)	2.48	2.48

HERD SIZE 100+ COWS: PRODUCTION ANALYSIS

ITEM		PER FARM	PER COW
Number of Cows	(#)	141	1
Total Litres of Milk Sold	(L)	927,528	6,561
Value of Milk Sold	($)	527,168	3,729
Price Received per HL Milk	($)	56.84	56.84
Fluid Milk (L's as % of Total Milk)	(%)	59.8	59.8
Fluid Milk ($'s as % of Total Milk)	($)	65.8	65.8
Cost of Dairy Feed	($)	111,356	788
Feed Cost per HL Milk Sold	($)	12.01	12.01
Feed Cost as % of Total Cost	(%)	23.8	23.8
Feed Cost as % of Milk Sales	(%)	21.1	21.1
Kilograms of Feed/HL Milk	(Kgs)	50.46	50.46
Kilograms of Feed	(Kgs)	466,800	3,331
Pounds of Feed	(Lbs)	1,026,959	7,283

HERD SIZE 100+ COWS: BALANCE SHEET

ITEM	PER FARM	PER COW
ASSETS:		
Inventory Value - Land	$ 112,299.	$ 794.
" " - Buildings	149,667.	1,059.
" " - Machinery	163,297.	1,155.
" " - Livestock	199,118.	1,409.
" " - Crops & Supplies	46,962.	332.
" " - Milk Quota	135,549.	959.
" " - Accounts Receivable	11,760.	83.
" " - Co-op Dairy Investment	105,188.	744.
TOTAL INVENTORY VALUE - ASSETS	$ 923,840.	$ 6,535.
LIABILITIES:		
Short Term	$ 13,226.	$ 94.
Intermediate Term	102,331.	724.
Long Term	139,094.	984.
TOTAL LIABILITIES	$ 254,651.	$ 1,801.
EQUITY OR NET WORTH	$ 669,189.	$ 4,734.

HERD SIZE 100+ COWS: BALANCE SHEET ANALYSIS

ITEM		PER FARM
Equity in Farm Business	(%)	72.44
Return on Equity	(%)	13.44
Return on Invested Capital	(%)	12.17
Capital Turnover	(Yrs)	1.54
Current Assets/Current Liabilities	($)	27.45
Total Assets/Total Liabilities	($)	3.63
Total Liabilities/Equity	($)	.38
Net Income/Gross Income	(%)	21.98

HERD SIZE 100+ COWS: LABOUR ANALYSIS

ITEM		PER FARM
Number of Cows	(#)	141
Operator & Family Man Equivalents	(#)	2.06
Hired Man Equivalents	(#)	2.63
Total Man Equivalents	(#)	4.69
Cows per Man Equivalent	(#)	30
Milk Sold per Man Equivalent	(L)	197,734
Milk Sold per Man Equivalent	($)	112,383
Labour Income Per Man Equivalent		
Operator & Unpaid Family	($)	31,424

HERD SIZE 100+ COWS: RECEIPTS AND EXPENSES SUMMARY

ITEM	PER COW	PER 100 LITRES	PER CWT.
RECEIPTS:			
Fluid Milk	$ 2,455.	$ 37.41	$ 16.48
Manufactured Milk	1,132.	17.26	7.60
Milk Subsidies	142.	2.16	.95
Livestock Sales	345.	5.26	2.32
Crop Sales	35.	.53	.23
Miscellaneous Sales	229.	3.49	1.54
TOTAL CASH RECEIPTS	$ 4,338.	$ 66.11	$ 29.13
Adj. for Inventory Change	$ -98.	$ -1.49	$ -.66
TOTAL FARM RECEIPTS	$ 4,240.	$ 64.63	$ 28.47
EXPENSES:			
Milk Hauling	$ 142.	$ 2.16	$ .95
Dairy Feed	788.	12.01	5.29
Livestock Purchases	30.	.45	.20
Vet & Drugs	43.	.66	.29
Breeding	52.	.79	.35
Dairy Supplies	87.	1.33	.59
Milk Marketing	194.	2.95	1.30
Crop Expenses	234.	3.57	1.57
Building & Fence Repair	78.	1.18	.52
Utilities	86.	1.32	.58
Tractor & Machinery Repair	220.	3.35	1.48
Truck & Auto Expense	53.	.80	.35
Interest	159.	2.43	1.07
Hired Labour	479.	7.30	3.22
Taxes & Insurance	78.	1.20	.53
Custom Work	65.	.98	.43
Rentals & Leases	80.	1.22	.54
Miscellaneous	70.	1.07	.47
TOTAL CASH EXPENSES	$ 2,938.	$ 44.77	$ 19.72
Building Depreciation	$ 125.	$ 1.90	$ .84
Machinery Depreciation	245.	3.74	1.65
TOTAL DEPRECIATION	$ 370.	$ 5.65	$ 2.49
TOTAL FARM EXPENSES	$ 3,308.	$ 50.42	$ 22.21
NET FARM INCOME	$ 932.	$ 14.21	$ 6.26

APPENDIX B

RECEIPTS AND EXPENSES SUMMARY

RECEIPTS AND EXPENSES SUMMARY

ITEM	PER FARM	PER COW
RECEIPTS:		
Fluid Milk	$ 165,026.	$ 2,672.
Industrial Milk	60,335.	977.
Milk Subsidies	7,391.	120.
Livestock Sales	20,102.	325.
Crop Sales	1,902.	31.
Miscellaneous Sales	13,737.	222.
TOTAL CASH RECEIPTS	$ 268,494.	$ 4,347.
Adj. for Inventory Change	$ -594.	$ -10.
TOTAL FARM RECEIPTS	$ 267,900.	$ 4,337.
EXPENSES:		
Milk Hauling	$ 8,380.	$ 136.
Dairy Feed	49,087.	795.
Livestock Purchases	3,290.	53.
Vet & Drugs	3,736.	60.
Breeding	3,839.	62.
Dairy Supplies	7,270.	118.
Milk Marketing	11,107.	180.
Crop Expenses	14,316.	232.
Building and Fence Repair	5,346.	87.
Utilities	5,945.	96.
Tractor and Machinery Repair	13,552.	219.
Truck and Auto Expense	4,002.	65.
Interest	22,569.	365.
Hired Labour	23,335.	378.
Taxes and Insurance	6,430.	104.
Custom Work	5,687.	92.
Rentals and Leases	3,299.	53.
Miscellaneous	5,021.	81.
TOTAL CASH EXPENSES	$ 196,210.	$ 3,176.
Building Depreciation	$ 6,842.	$ 111.
Machinery Depreciation	18,263.	296.
TOTAL DEPRECIATION	$ 25,105.	$ 406.
TOTAL FARM EXPENSES	$ 221,315.	$ 3,583.
NET FARM INCOME	$ 46,585.	$ 754.

RECEIPTS AND EXPENSES SUMMARY

PER 100 LITRES	PER CWT.	PERCENTAGE
$ 40.56	$ 17.87	61.6
14.33	6.53	22.5
1.82	.80	2.8
4.94	2.18	7.5
.47	.21	.7
3.38	1.49	5.1
$ 65.99	$ 29.07	100.2
$ -.15	$ -.06	-.2
$ 65.85	$ 29.01	100.0
$ 2.06	$ .91	3.8
12.06	5.31	22.2
.81	.36	1.5
.92	.40	1.7
.94	.42	1.7
1.79	.79	3.3
2.73	1.20	5.0
3.52	1.55	6.5
1.31	.58	2.4
1.46	.64	2.7
3.33	1.47	6.1
.98	.43	1.8
5.55	2.44	10.2
5.74	2.53	10.5
1.58	.70	2.9
1.40	.62	2.6
.81	.36	1.5
1.23	.54	2.3
$ 48.23	$ 21.24	88.7
$ 1.68	$ .74	3.1
4.49	1.98	8.3
$ 6.17	$ 2.72	11.3
$ 54.40	$ 23.96	100.0
$ 11.45	$ 5.04	.0

APPENDIX C

GLOSSARY OF TERMS

APPENDIX C: GLOSSARY OF TERMS

Assets - All items of value owned by the farm business.

Capital Turnover - The length of time, measured in years, that is required to generate sufficient income to equal total capital invested in the farm business. The ratio is Total Capital Invested divided by Total or Gross Farm Income.

Cash Expenses - The sum of all cash expenses expended by the farm business during the year. This includes such items as feed, livestock purchased, hired labour, interest and marketing costs.

Depreciation - This is an amount which represents the loss in value of an asset over a certain period of time due to the number of years of remaining life, the amount of use and obsolescence. In this summary, tax depreciation rates are used.

Equity - This is the difference between the value of the assets and liabilities and represents the value of assets that would remain if all debts were paid off. Further it represents the capital contribution to the business by the owner.

Farm Receipts - The sum of all cash receipts received by the business during the year. This includes such items as fluid milk sales, livestock sales and miscellaneous sales.

Intermediate Term Liabilities - This is debt owed by the business to others with a usual term of from 1 to 10 years.

Inventory Adjustment - This represents an increase or decrease in the value of inventory (livestock, crops, supplies) held by the farm to earn income.

Labour And Management Income - This term represents Net Farm Income with an adjustment made for unpaid family labour and interest on equity. It represents a return to the operator for his labour and management skills after all other costs have been deducted.

Liabilities - Debts owed by the business to others.

Long Term Liabilities - Debts of greater term than 10 years.

Man Equivalents - Total number of months of labour including operator, hired and unpaid family labour divided by 12 to reduce the total labour force to the equivalent of the number of men employed on a yearly basis.

Net Farm Income - Total Farm Income minus Total Farm Expenses. This represents the return to the farm, the operator and family for labour, management and capital

Return To Equity - This represents the return to the owners capital after adjustments have been made for operator and family labour. The calculation is:

> (Net Farm Income - Operator and Family Labour) Multiplied by 100 and Divided by the Equity

Return To Invested (Total) Capital - This represents the rate of return achieved by the total capital invested in the farm business. The calculation is: (Net Farm Income + Interest Paid - Operator and Family Labour) * 100 Divided by Total Capital Investment (Total Assets)

Short Term Liabilities - Debts owed by the business that have a term of less than one (1) year. Short term may also be called Current.